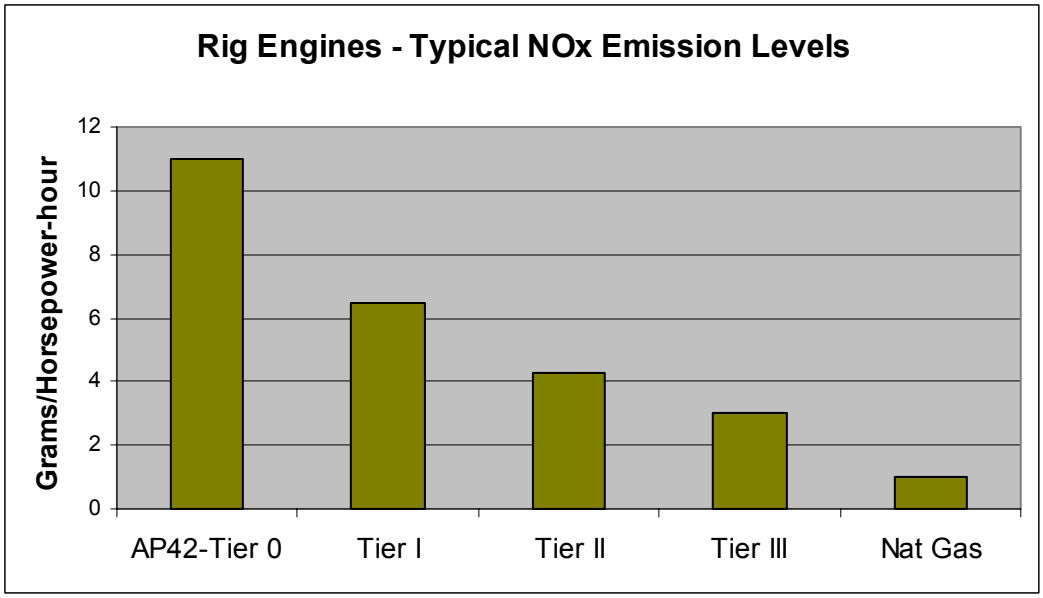
Emissions

Increasing levels of oil and gas drilling in Region 8 States has elevated concerns about how such activity affects air quality.

July 2006



Natural gas is a cleaner fuel. This graph illustrates reduction in oxides of nitrogen (NOx) anticipated by switching from diesel to natural gas fired engines.

ENCANA is fueling some of its drilling rig engines with natural gas as a way to reduce air quality impacts associated with its operations.

EPA regulations phase in emission standards by "tiers" for different pollutants, power categories. Manufacturers have begun producing Tier 1 and Tier 2 engines in all size categories and will begin manufacturing engines that meet the more stringent tiers in next several years.

ENCANA Commitments for the Jonah Infill Drilling Project:

- Meet Tier II emission levels based on fleet average by January 2007
- Meet Tier III emission levels based on fleet average by January 2009

WHY IS IT IMPORTANT TO REDUCE NOX? It is a key ingredient in the formation of regional haze. In addition, the particles that it forms can deposit on soil, streams, and lakes where it can alter the water chemistry.

Natural gas burn engines appear the most effective means to achieve our emissions reduction commitments

- Compared to similar diesel-burn rigs, natural gas rigs produce less tons/well of NOX
- Large hp natural gas engines raise overall fleet tier rating substantially
- Average NOx reduction of ~85% vs Tier I, and ~90% vs Tier)
- Results in Tier III+ emissions rating
- EnCana is building 5 new 1000 hp Fit for Purpose Rigs with natural gas engines
- Small footprint (1.5 acres)
- Trailer mounted for quick in field moves
- By end or 2006, EnCana will have 8 natural gas rigs in operation at the Jonah project.

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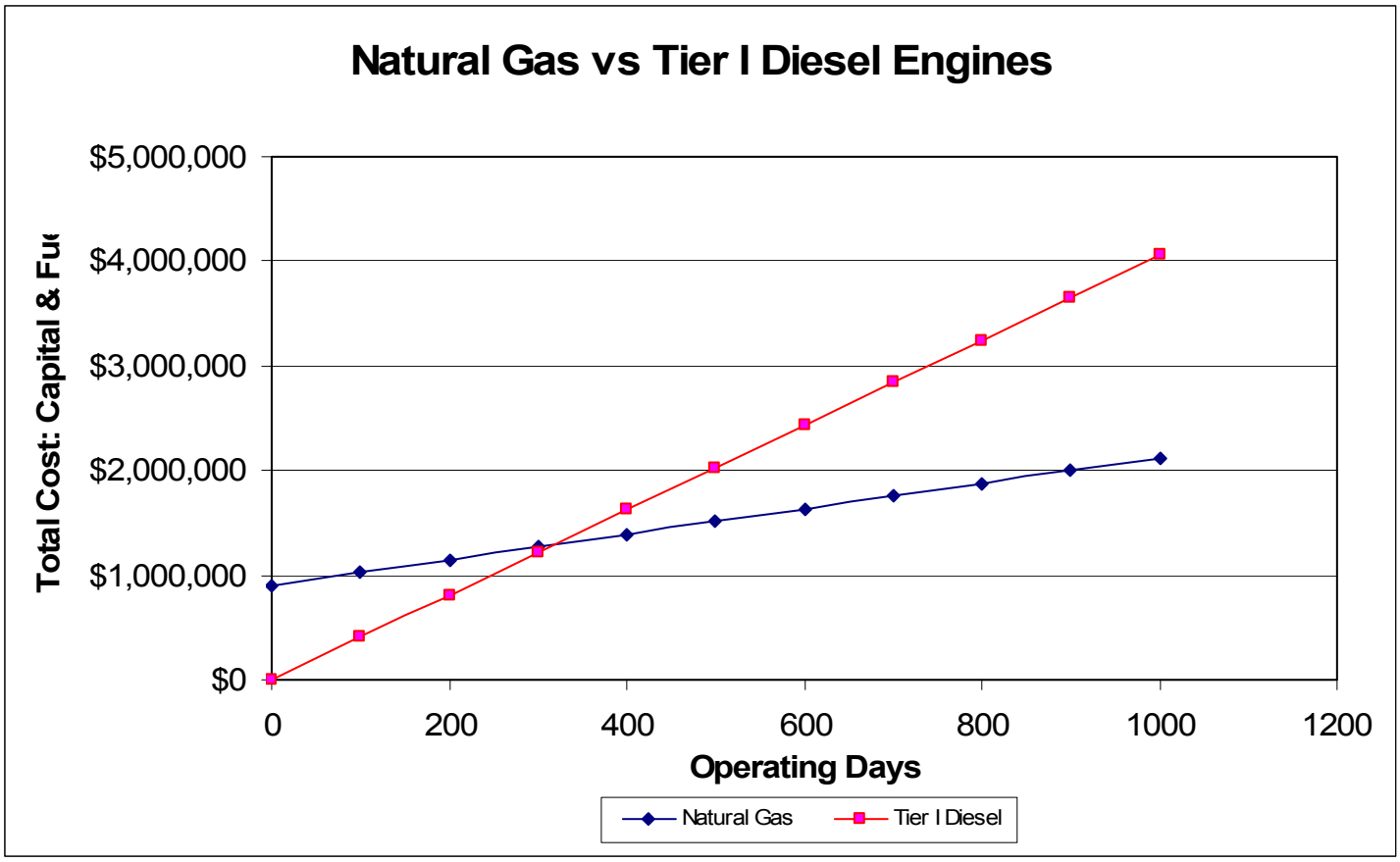
Emissions comparison between Tier I and natural gas engines

	Ensign 88 2 3516 LE NG	Ensign 89 2 - 3512 Tier I	Ensign 85 2 - 3512 Tier I
Average Depth - Ft	12,422	12,329	12,389
Avg Days	29.75	37.25	29.25
Total Fuel	6,621	59,965	47,888
Avg fuel	223	1,610	1,637
Nox g/hp/hr	1.00	6.6	6.6
Nox ton/well	0.92	6.8	5.4
CO g/hp/hr	3.50	1.3	1.3
CO ton/well	3.2	1.4	1.0

The graph below illustrates the economics of switching out diesel engines for natural gas engines on a single drill rig.



Quick Payout, substantial fuel savings

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Other Engine Modifications being Investigated by EnCana:

SCR (Selected Catalytic Reduction)

- Using a urea catalyst to reduce NOx in exhaust system
- Currently installed on two Tier 0 engines
- 80% reduction from Tier 0 standard

Combustion Catalyst

- Precious aerated metals introduced into air intake
- 1 conversion in operation
- 50% NOx reduction

Bi-fuel

- Introduction of natural gas to a diesel engine (20-60% gas)
- Short term test on three engines complete, long-term test on underway
- 30% NOx reduction from Tier 0

Bio-diesel

- Using organic diesel mix
- Previous tests on two engines
- Minimal NOx reduction

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